on such activities within its territories, shall not be applied as against enterprises which are engaged in such activities therein at the time such new limitations are adopted, provided that such enterprises are owned or controlled by nationals or companies of the other Party. Moreover, neither Party shall deny to communications, transportation and banking companies of the other Party the right to maintain branches and agencies to perform functions necessary for essentially international operations in which they are permitted to engage.

3. The provisions of paragraph 1 of the present Article shall not prevent either Party from prescribing special formalities in connection with the establishment of alien-controlled enterprises within its territories; but such formalities may not impair the substance of the rights set forth in said paragraph.

4. Nationals and companies of either Party, as well as enterprises controlled by such nationals and companies, shall in any event be accorded most-favored-nation treatment with reference to the matters treated in the present Article.

Article VIII

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Article VIII

1. Nationals and companies of either Party shall be permitted to engage, within the territories of the other Party, accountants and other technical experts, executive personnel, attorneys, agents and other specialists of their choice. The preceding sentence shall not be construed to preclude a Party from enforcing laws regarding the nationality of employees, but such laws shall not prevent nationals and companies of the other Party from employing personnel, regardless of nationality, who are essential to the conduct of their affairs. Moreover, such nationals and companies shall be permitted to engage the services of accountants and other technical experts, although they do not fulfill the qualifications established by the other Party for the practice of such profession within the territories of such other Party, for the particular purpose of making audits and technical investigations for, and rendering reports to, such nationals and companies in connection with the planning and operation of their enterprises, and enterprises in which they have a financial interest, within such territories.

2. Nationals and companies of either Party shall be accorded national treatment and most-favored-nation treatment with respect to engaging in scientific, educational, religious and philanthropic activities within the territories of the other Party, and shall be accorded the right to form associations for that purpose under the laws of such other Party. Nothing in the present Treaty shall be deemed to grant or imply any right to engage in political activities.

DEPARTMENT

Article IX

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Article IX

1. Nationals and companies of either Party shall be accorded within the territories of the other Party:

(a) national treatment with respect to leasing land, buildings and other immovable property appropriate to the conduct of activities in which they are permitted to engage pursuant to Articles VII and VIII and for residential purposes, and with respect to occupying and using such property; and

(b) other rights in immovable property permitted by the applicable laws of the other Party.

2. Nationals and companies of either Party shall be permitted freely to dispose of property within the territories of the other Party with respect to the acquisition of which through testate or intestate succession their alienage has prevented them from receiving national treatment, and they shall be permitted a term of at least five years in which to effect such disposition.

3. Nationals and companies of either Party shall be accorded within the territories of the other Party national treatment and most-favored-nation treatment, with respect to acquiring, by purchase, lease, or otherwise, and with respect to owning and possessing, personal property of all kinds, both tangible and intangible. However, either Party may impose restrictions on alien ownership of materials dangerous from the standpoint of public safety and alien ownership of interests in enterprises carrying on particular types of activity, but only to the extent that this can be done without impairing the rights and privileges secured by Article VII or by other provisions of the present treaty.

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4. Nationals

Party, and in the case of nationals of either Party engaged in trade or other gainful pursuit within the territories of the other Party but not resident therein, such other Party shall not impose or apply any tax, fee or charge upon any income, capital or other basis in excess of that reasonably allocable or apportionable to its territories, nor grant deductions and exemptions less than those reasonably allocable or apportionable to its territories. A comparable rule shall apply also in the case of companies organized and operated exclusively for scientific, educational, religious or philanthropic purposes.

5. Each Party reserves the right to:

(a) extend specific advantages regarding taxes, fees, and charges to nationals, residents and companies of other countries on a basis of reciprocity;

(b) accord special tax advantages by virtue of agreements for the avoidance of double taxation or the mutual protection of revenue; and

(c) apply special provisions in allowing to non-residents, exemptions of a personal nature in connection with income and inheritance taxes.

Article XII

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by or to it during a previous representative period, due consideration being given to any special factors affecting the trade in such product.

4. Either Party may impose prohibitions or restrictions on sanitary or other customary grounds of a non-commercial nature, or in the interest of preventing deceptive or unfair practices, provided such prohibitions or restrictions do not arbitrarily discriminate against the commerce of the other Party.

5. Nationals and companies of either Party shall be accorded national treatment and most-favored-nation treatment by the other Party with respect to all matters relating to importation and exportation.

6. The provisions of the present Article shall not apply to advantages accorded by either Party:

(a) to products of its national fisheries;

(b) to adjacent countries in order to facilitate frontier traffic; or

(c) by virtue of a customs union or a free trade area of which either Party may become a member, or of an interim agreement leading to the formation of a customs union or free trade area which either Party may enter into, after having informed the other Party of its plans in order to afford such other Party adequate opportunity to express its views there The interim agreement referred to in the preceding sentence shall include a plan and definite program for the formation of a customs union or free trade area.

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Pacific Islands or to the Panama Canal Zone.

3. The provisions of the present Treaty relating to the treatment of goods shall not preclude action by either Party which is required or specifically permitted by the General Agreement on Tariffs and Trade during such time as such Party is a contracting party to the General Agreement. Similarly, the most-favored-nation provisions of the present Treaty shall not apply to special advantages accorded by virtue of the aforesaid Agreement.

4. The provisions of the present Treaty regarding most-favored-nation treatment, other than those relating to importation and exportation, shall not be applied to advantages which the Republic of Nicaragua accords to the other countries of Central America within a definite program of regional economic integration. As concerns advantages which Nicaragua may accord to the Central American countries with respect to importation and exportation, the provisions of Article XIV of the present Treaty shall prevail.

5. Nationals of either Party admitted into the territories of the other Party for limited purposes shall not enjoy rights to engage in gainful occupations in contravention of limitations expressly imposed, according to law, as a condition of their admittance.

Article XXII

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Article XXII

1. The term "national treatment" means treatment accorded within the territories of a Party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of such Party.

2. The term "most-favored-nation treatment" means treatment accorded within the territories of a Party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of any third country.

3. As used in the present Treaty, the term "companies" means corporations, partnerships, companies and other associations, whether or not with limited liability and whether or not for pecuniary profit. Companies constituted under the applicable laws and regulations within the territories of either Party shall be deemed companies thereof and shall have their juridical status recognized within the territories of the other Party.

4. National treatment accorded under the provisions of the present Treaty to companies of Nicaragua shall, in any State, Territory or possession of the United States of America, be the treatment accorded therein to companies created or organized in other States, Territories, and possessions of the United States of America.

Article XXIII

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PROTOCOL

At the time of signing the Treaty of Friendship, Commerce and Navigation between the United States of America and the Republic of Nicaragua, the undersigned Plenipotentiaries, duly authorized by their respective Governments, have further agreed on the following provisions, which shall be considered integral parts of the aforesaid Treaty:

1. The provisions of Article II, paragraph 1(b), shall be construed as extending to a national of either Party seeking to enter the territories of the other Party solely for the purpose of developing and directing the operations of an enterprise in the territories of such other Party in which his employer has invested or is actively in the process of investing a substantial amount of capital, provided that such employer is a national or company of the same nationality as the applicant and that the applicant is employed by such national or company in a responsible capacity.

2. The term "access" as used in Article V, paragraph 1, comprehends, among other things, legal aid and security for costs and judgment.

3. It is understood that Article V, paragraph 2, does not require a Party to enforce an arbitral award that is contrary to public order.

4. The provisions of Article VI, paragraph 4, providing for the payment of compensation shall extend to interests held directly or indirectly by nationals and companies of either Party in property which is taken within the territories of the other Party.

5. With

5. With reference to Article VII, paragraph 3, either Party may require that rights to engage in mining on the public domain shall be dependent on reciprocity.

6. The term "public utility enterprises" as used in Article VII, paragraph 2, is deemed to include enterprises engaged in furnishing communications services, water supplies, transportation by bus, truck or rail, or in manufacturing and distributing gas or electricity to the general public.

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